

Exhibit B

1
2 UNITED STATES BANKRUPTCY COURT
3 EASTERN DISTRICT OF NEW YORK
4 CHAPTER 11
5 CASE NO. 16-75547 (REG)

6 - - - - -x

7 In re

8 DOWLING COLLEGE, f/d/b/a DOWLING
INSTITUTE, f/d/b/a DOWLING COLLEGE ALUMNI
9 ASSOCIATION, f/d/b/a CECOM, a/k/a DOWLING
COLLEGE, INC.,

10 Debtor.
11

12 - - - - -x
13

14 90 Merrick Avenue
East Meadow, New York
15 January 31, 2016
10:10 a.m.

16
17
18 AUCTION IN THE ABOVE
19 CAPTIONED PROCEEDING.

20 * * *
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22
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25

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2 APPEARANCES:

3 KLESTADT WINTERS JURELLER SOUTHARD &
4 STEVENS, LLP

Attorneys for Dowling College

200 West 41st Street

17th Floor

New York, New York 10036-7203

6
7 BY: SEAN C. SOUTHARD, ESQ.
JOSEPH C. CORNEAU, ESQ.
STEPHANIE SWEENEY, ESQ.

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9
10 BIDDER GROUP A - MICHAEL KANE

11 BIDDER GROUP B - MARK JIA

12 BIDDER GROUP C - TOMER VARDI

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14 * * *

Auction

MR. SOUTHARD: Good morning.

For the record, my name is Sean Southard and I'm a partner with the law firm of Klestadt Winters Jureller Southard and Stevens and we serve as bankruptcy counsel to Dowling College, now a Debtor in Possession under Chapter 11 of U.S. Bankruptcy Code, with the case pending before the Honorable Robert E. Grossman, United States Bankruptcy Judge for the Eastern District of New York.

We're assembled here this morning for an auction, that is being held at 90 Merrick Avenue, East Meadow, New York, by invitation of the Certilman Balin Law Firm and pursuant to the order of the United States Bankruptcy Court for the Eastern District of New York, dated October 17, 2017, Docket Number 425 in the Chapter 11 Case Number 16-75545, which Order, among other things, approved certain Bidding

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Procedures that we will follow today, scheduled this auction and approved certain related notices.

Today, I will refer to that order as the Bidding Procedures Order and the Bidding Procedures approved thereby, as the Bidding Procedures.

The Bidding Procedures Order was entered in response to the Debtor's motion seeking the entry of that order and approval of this sale overall.

Everyone in attendance this morning has checked in through security for the building and has also checked in with the Debtor's representatives, at the table located outside this room and have been provided with appropriate seating for their role, if any, today.

We have three Bidder Groups this morning, that were determined to be qualified bidders, pursuant to the Bidding Procedures, and who will have

Auction

the opportunity to participate today
in the auction.

By submitting bid packages and
participating today, each group has
agreed to be subject to the Bidding
Procedures established by the Debtor
and approved by the Bankruptcy Court.
Copies of those Bidding Procedures
and Bidding Procedures Order were
made available and are available this
morning upon request.

That means, among other things,
that each Bidder provided a written
and signed irrevocable offer, stating
that the Bidder offers to consummate
a sale transaction on the terms and
conditions set forth on the Modified
Purchase Agreement, confirming that
the bid will remain irrevocable until
the earlier of 90 days following
entry of a final sale order and
closing with a successful bidder and
also stating that the bidder has had
the opportunity to conduct due

Auction

diligence prior to its offer and does not require further due diligence, as relied solely upon its own independent review and investigation and did not rely on any written or oral representation, except as may be contained in the Modified Purchase Agreement.

Each Bidder has also provided a deposit, equal to five percent of their bid, prior to bidding this morning. That deposit is subject to forfeiture as liquidated damages, under certain conditions set forth in the Bidding Procedures.

The sale is as is, where is, except as set forth in the Purchase Agreement. Both the highest and best bid and the back-up bid, will be determined and both are open and irrevocable, pursuant to those Bidding Procedures, until the earlier of 90 days following entry of the sale order or closing of the sale.

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The back-up Bidder's deposit, will be held pending closing and promptly returned thereafter.

For the avoidance of any doubt, no bid made here or announcement as to determination of the highest and best bid, shall be deemed to be an accepted or binding offer, unless and until it is approved by order of the Bankruptcy Court.

Each group has been seated at a designated table, labeled with letters A through C. And each group has agreed to make one person the group's authorized representative to speak for the group today and make bids during the formal auction proceeding on the record today.

Also in attendance today, are representatives including counsel for ACA Financial Guarantee Corporation, UNB Bank, the United States Trustee and the Official Committee of Unsecured Creditors, appointed in the

Auction

Debtor's bankruptcy case.

Some general rules this morning for nonparticipant attendees. Much like in the courthouse, the formal auction proceeding this morning will be recorded by a court reporter.

Other than this recording, no recordings of any kind are permitted this morning, including photography of any kind, by any person during the auction proceedings.

Further, other than qualified Bidder participants and their authorized representatives, use of tablets, photography devices, cell phones or smart phones is not permitted during the proceedings. And any unauthorized use, will result in suspension of the proceedings, with such parties being requested to leave the premises.

Other than authorized participants and designated representatives, no parties are

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1
2 authorized to make any comments or
3 statements on the record. Further,
4 nonparticipant attendees shall not be
5 permitted to communicate with the
6 Bidders, either prior to or during
7 the auction proceedings.

8 We also request that any
9 members of the press that may be
10 present today, please refrain from
11 questioning any participant or
12 representative, until I have
13 announced that the proceedings have
14 concluded.

15 Thereafter, we further ask that
16 all parties present today be
17 respectful and courteous and honor
18 the wishes of any attendee, who does
19 not wish to be questioned or
20 interviewed.

21 Moving on then to the general
22 rules for participants, rules of the
23 auction today.

24 First, the Debtor
25 representatives shall conduct the

Auction

1
2 auction in accordance with the court
3 approved Bidding Procedures, which
4 are incorporated herein by reference
5 in their entirety.

6 A court stenographer shall be
7 present to transcribe the formal
8 portion of the auction proceedings.

9 Each Bidder Group shall
10 designate one spokesperson for formal
11 on the record communications.

12 All official bidding shall take
13 place in the designated room, in the
14 presence of the court reporter and on
15 the record. No parties may confer
16 with the Debtor or among themselves
17 off the record. Bidding shall be
18 conducted in a round-robin manner.

19 The current highest bid of \$10
20 million, by Group A, has been
21 determined to be the starting bid
22 this morning.

23 Thereafter, the bidding order
24 by round shall be by Group B, then C,
25 and then Group A's turn thereafter.

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2 And they were designated in this
3 order because it's the order that
4 they were received.

5 The initial overbid shall be an
6 amount of not less than
7 \$10.1 million, with bidding
8 increments thereafter of not less
9 than 100,000, unless further
10 determined by the Debtor to agree to
11 a lower bidding increment.

12 All bidders shall have the
13 right to pass when their turn comes
14 and still participate in a later
15 round of bidding, provided that no
16 Bidder may pass in two consecutive
17 rounds.

18 All Bidders shall have the
19 opportunity to request reasonable
20 adjournments, of not greater than
21 approximately 10 minutes, during the
22 auction proceedings, in order to
23 confer at each point during the
24 proceedings when it is that Bidder's
25 opportunity to bid. At such time as

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each remaining Bidder, other than the last highest Bidder, passes in the same round, each bidder will be asked one more time if they desire to submit a higher bid. If all bidders decline, the Debtor shall indicate that it is prepared to close the bidding and if none of the Bidders responds with an approved bid, will close the bidding, subject to further deliberations by the Debtor, the committee and the secured parties.

After the initial close of bidding, the Debtor, the Committee and the Secured Parties, shall independently and collectively confer, to discuss and determine which of the Bidders has submitted the highest and best bid, in their views, and other determinations as may be necessary.

After conferring with the parties, the Debtor may separately confer with one or more Bidder

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Groups, in relation to the last highest bid made and any further adjustments or enhancements to bids that may be requested or agreed to be made.

For the avoidance of doubt, it is possible that the Debtor may determine to open additional bidding after that point in time and prior to a formal close of the auction.

Further, the Debtor, in consultation with the Committee and Secured Parties, reserves the right to alter or modify the rules set forth this morning or otherwise as permitted by the Bidding Procedures.

At the close of the auction, the Debtor intends to announce the determination of the parties or any related disputes that might exist, to the Bidders here today.

Thereafter, the results of the auction, including any determination as to the highest and best and

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2 back-up bid, will be presented
3 promptly to the Debtor's Board of
4 Trustees, following the close of the
5 auction today and the Debtor will
6 then present the results of the
7 auction to the Court at the Sale
8 Approval Hearing, which is currently
9 scheduled for Monday, February 5th.

10 After the close of the auction,
11 parties should be advised that the
12 Debtor does intend to finalize the
13 terms of the Purchase Agreement
14 immediately and have the winning
15 Bidder and back-up Bidder execute the
16 same, subject to Court approval.

17 Prior to our commencement of
18 the formal auction then, just a
19 couple of reminders.

20 As we mentioned earlier, there
21 is a court reporter transcribing the
22 proceeding. So when you speak,
23 please identify yourself for the
24 record and to ensure an accurate
25 record, please speak clearly, slowly

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and only one person is to speak at a time.

Unless there are any questions from the Bidders, we will commence with the first round of bidding.

So as each of the Groups were informed, in accordance with the Bidding Procedures, the Debtor has announced that Group A has been determined to be the highest bid and will be the starting bid for purposes of the auction this morning.

That means that it is currently Group B's opportunity to bid.

MR. JIA: Pass.

MR. SOUTHARD: Group B has determined to pass. Now it is Group C's opportunity to bid.

MR. VARDI: 10.1.

MR. SOUTHARD: \$10.1 million. It's now Group A's opportunity to bid.

MR. KANE: 10,200,000.

MR. SOUTHARD: 10.2 million

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2 from Group A. Group B.

3 MR. JIA: Pass.

4 MR. SOUTHARD: Group B has
5 passed for a second time.

6 Group C.

7 MR. VARDI: Pass.

8 MR. SOUTHARD: Group C has
9 passed. That means at this point,
10 Group C will have one other
11 opportunity to bid.

12 10.2 million to Group C.

13 MR. VARDI: Can we have ten
14 minutes?

15 MR. SOUTHARD: Absolutely.
16 Group C for the record, has requested
17 an opportunity to confer. We will go
18 off the record at this point.

19 [At this time, a discussion was
20 held off the record.]

21 MR. VARDI: We'll pass.

22 MR. SOUTHARD: Back on the
23 record.

24 Group C has come back and
25 indicated they're also passing. At

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2 this point, unless there are any
3 additional bids by any of the
4 bidders, we will close the bidding at
5 this point and the Debtor will confer
6 with the creditors present here this
7 morning and may choose to speak with
8 the Bidder Groups, so we would ask
9 that you remain here for the moment
10 and we'll be back to you as soon as
11 we can. We'll go off the record.

12 [At this time, a short recess
13 was taken.]

14 MR. SOUTHARD: Good afternoon,
15 Sean Southard again, representing
16 Dowling College, back on the record
17 after an extended break from the
18 auction.

19 At this time, I am here to
20 advise the participants that the
21 auction is adjourned. The parties,
22 including the Debtor, Secured
23 Creditors and the Official Committee
24 of Unsecured Creditors have conferred
25 off the record among themselves with

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various of the bidders and at this time, have not reached any determinations in relation to the bid submitted today at auction, so the auction is adjourned.

We will be in contact with the parties and the participants at the auction today, as soon as we have a determination to discuss with the parties.

We appreciate your participation and your patience throughout the day and we will be in touch as soon as we have more information. Thank you.

(Time noted: 4:00 p.m.)

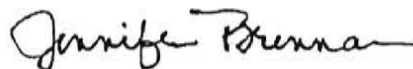
CERTIFICATION

I, JENNIFER BRENNAN, a Notary Public
for and within the State of New York, do
hereby certify:

That the within transcript is a true
and accurate record of the proceedings.

I further certify that I am not
related to any of the parties to this
action by blood or marriage, and that I
am in no way interested in the outcome of
this matter.

IN WITNESS WHEREOF, I have hereunto
set my hand this 1st day of February,
2018.



JENNIFER BRENNAN

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